



# Memorandum

To: City Council  
From: Bart Olson, City Administrator  
CC:  
Date: October 3, 2018 @ 2:00pm  
Subject: Old Jail RFP

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## **Summary**

Review of Citizen Group Presentation on Old Jail and consideration of bids for demolition of the building.

## **Background**

This item was last discussed at the July 24<sup>th</sup> City Council meeting. At that meeting, the City Council reviewed bids for full demolition of the building from various contractors, with D Construction being the low bidder in the amount of \$78,000. Full packet materials from the July 24<sup>th</sup> meeting are attached to this memo.

One citizen group will be providing materials about a proposal to save the jail for the October 9<sup>th</sup> City Council packet. At time of draft of this memo, materials had not yet been delivered. It is not likely that the materials will be reviewed by staff prior to City Council packet publication. If the materials are able to be analyzed by staff post-packet publication and prior to the actual City Council meeting, a supplemental City Council meeting packet may be distributed. The previously mentioned citizens group will be making a full City Council presentation at the October 9<sup>th</sup> City Council agenda as well.

Staff has visited the building on several occasions since July, and the building has deteriorated in an expected manner. There are no new major issues with the building, but the old part of the building has continued to take on water through leaks in the roof. There is one supplemental building rehab cost estimate from Jack Tribbia of Berglund Construction, who donated his time to doing a walkthrough of the building on behalf of Landmarks Illinois. His report, cost estimate, and photos are attached. His analysis is that the building has good bones and is not at risk for imminent collapse. The City did manage to receive a commitment for a walkthrough from a structural engineer from Hutter Trankina Engineering. The engineer was able to do a walkthrough the building on Monday, October 1<sup>st</sup> and should have a supplemental cost estimate for structural analysis of the building (should the City Council choose to delay demolition or to save the building) by Friday, October 5<sup>th</sup>. If received, this information will be published in a supplemental City Council packet.

Attorney Orr has also opined on the use of TIF funds for demolition of the building. Her formal opinion is attached to this memo. In general, she believes the carve-out within the Act applies to our use of TIF funds for demolition. However, in the event the City Council is not comfortable in the use of TIF funds for demolition of the property, Director Fredrickson and I have confirmed that the project could be funded out of the City-wide capital fund without a budget amendment.

## **Recommendation**

There are three components to the old jail discussion. First is the citizen's group presentation. Staff requests feedback and direction on the proposal from the citizen's group. Second is the actual bid award of the demolition RFP. D Construction is the low bidder for the project at \$78,000. Staff's review of the bid has turned up no issues and we would recommend approving the D Construction proposal should the City Council decide to demolish the building. The D Construction bid cost is guaranteed through mid-October and this is the last City Council meeting prior to that expiration. However, D Construction has verbally represented that there may be scenarios where they would entertain an extension to the cost hold date. Third is the budget amendment to cover the building demolition costs. The budget amendment is drafted to code the demolition funds to the Downtown TIF II fund. If the City Council does not wish to use TIF funds for demolition of the building, this ordinance could be tabled or voted down. If the demolition contract is awarded and the budget amendment is not approved, we would code the demolition costs to the City-wide capital fund.